

**UNITED STATES BANKRUPTCY COURT
NORTHERN DISTRICT OF IOWA**

In re:)	Chapter 11
)	
MERCY HOSPITAL,)	
IOWA CITY, IOWA, <i>et al.</i> ,)	Case No. 23-00623C
)	
Debtors.)	Jointly Administered

AGREED ORDER ON TONEYKORF PARTNERS, LLC’S FINAL FEE APPLICATION

JURISDICTION, VENUE, AND STATUTORY PREDICATE

1. The Court has jurisdiction over this Objection pursuant to 28 U.S.C. §§ 157 and 1334. Venue is proper pursuant to 28 U.S.C. §§ 1408 and 1409. This is a core proceeding pursuant to 28 U.S.C. § 157(b). The statutory predicate for the relief sought herein is 11 U.S.C. §§ 363 and 330 as well as Fed. R. Bankr. P. 2016. The United States Trustee has standing to raise, appear and be heard on this Objection pursuant to 11 U.S.C. § 307; 28 U.S.C. § 581 *et seq.*

PROCEDURAL BACKGROUND

2. On August 7, 2023, Mercy Iowa City ACO, LLC, Mercy Hospital, Iowa City, Iowa, and Mercy Services Iowa City, Inc., (hereinafter “Mercy” or “Debtors”) filed three individual chapter 11 bankruptcy petitions that are being Jointly Administered under case number 23-00623.

3. Debtors filed its Application to Employ ToneyKorf Partners, LLC (“ToneyKorf”) as Interim Management on August 23, 2023. *See* Doc. 149. The Application was approved on September 20, 2023 *Nunc Pro Tunc* to the Petition date. *See* Doc. 259.

4. Pursuant to the Retention Order at docket 259 and Interim Compensation Order at docket 224, ToneyKorf has completed its services pursuant to the engagement related to the Strategic Transaction defined in the Engagement Letter, and now seeks final allowance of compensation in

the amount of \$4,348,426.90 for professional services and expenses in the amount of \$276,902.09, as well as final approval of the \$250,000 Success Fee via its “Summary of Combined Final Fee Application of ToneyKorf Partners, LLC as Interim Management of the Debtors, For Allowance of (I) Compensation for Professional Services Rendered and Reimbursement of Expenses Incurred For the Period From August 7, 2023 through and Including June 24, 2024 and (II) Success Fee” found at docket 1222.

5. The United States Trustee (“UST”) has been in communication with members of ToneyKorf regarding her ongoing objection to the payment of the \$250,000 Success Fee. The UST’s objection is limited only to the Success Fee; the UST is not advancing an objection to the payment of fees for professional services and expenses.

6. The UST and ToneyKorf have engaged in good-faith discussions to resolve the issues raised by the UST and have agreed to this Order in lieu of filing Objections and setting the matter for hearing.

IT IS ORDERED THAT:

7. The Final Application for Compensation, Expenses, and Success Fee for ToneyKorf for the period of August 7, 2023 through June 24, 2024 is approved in the following amounts:

- a. \$4,348,426.90 for professional services;
- b. \$276,902.09 for expenses;
- c. \$150,000 for the Success Fee.

Ordered: September 13, 2024



United States Bankruptcy Judge